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SUBJECT: BRAZIL: ANNUAL 2007/2008 REPORTS SHOWS MIXED RESULTS IN CONTROLLING AMAZON DEFORESTATION

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¶12. (SBU) SUMMARY. In its annual deforestation report, the Brazilian National Space Research Institute (INPE) concluded that for the August 2007 to July 2008 period deforestation in the Amazon Forest rose by 3.8 percent to 11,968 square kilometers. At a seminar on December 18, Environment Minister Carlos Minc acknowledged that the deforestation rate had increased after three years of decline from a peak of 27,000 square kilometers in the 2003/2004 period. Further, INPE reported that the area of the Amazon Forest that was degraded, but not yet considered deforested, had almost doubled from 14,915 square kilometers in 2007 to 24,932 square kilometers in 2008. Nonetheless, there were some positive notes, in particular a dramatic 80 percent decline in the area deforestation in the last three months of this period (which covers the period since Minc entered into office). Similarly, Minc noted a drop in the rate of deforestation in 22 of the 36 municipalities targeted for special measures as "hot spots". The overall rise in the deforestation rate comes at an inconvenient time as the Government of Brazil (GOB) in December announced domestic targets to reduce the annual rate to approximately 6,000 square kilometers by 2017 through its National Plan for Climate Change (REFTEL A). END SUMMARY

¶13. (SBU) On December 5, the Brazilian National Space Research Institute (INPE) announced the total deforestation numbers for the August 2007 to July 2008 period. The analysis found a total deforestation area of 11,968 square kilometers, which represents a 3.8 percent increase when compared to the previous period. At a seminar on December 18, Environment Minister Carlos Minc noted, "All of the previous estimates had predicted a rocket high increase in total deforestation. [Even the Environment Minister had] expected numbers in the 14 to 15 thousand square kilometer range."

¶14. (SBU) Regarding the future, Minc was emphatic, "I want zero deforestation". A clear reference to the GOB's recently launched National Plan for Climate Change goal of reducing to zero "illegal" deforestation and the goal of planting by the year 2015, more trees than the number cleared. For the 2008/2009 period, Minc predicted that the rate would resume a declining trend and drop to about ten thousand square kilometers.

¶15. (SBU) Minister Minc was pleased to point out a remarkable bright

spot. INPE determined that only 28 percent (or 3,300 square kilometers) of the annual deforestation happened in the period of April through July, which is the dry season and typically accounts for over 70 percent of the annual clearing. This year's final quarter figure represents a decrease of 80 percent compared with the same period in the last three years. "The decrease for these months is a clear sign that the law enforcement measures taken by the government are working", explained the Director of INPE Gilberto Camara. (NOTE: Minc did not have to mention that he became Environment Minister in the end of May 2008, so that the vast majority of the destruction occurred on his predecessor's watch. END NOTE.)

¶6. (SBU) The State of Para was the leading state in deforestation, with a total area of 5,180 square kilometers (NOTE: The number represents a 5 percent decrease compared to the 2006/2007 numbers. END NOTE) of forest cleared, followed by the State of Mato Grosso (3,259 square kilometers compared with 2,678 the year before, an increase of 22 percent). These two states comprised over seventy percent of the country's total deforestation. An especially worrisome number came from the State of Maranhao with the third worse total of 1,085 square kilometers cleared. This number represents a greater than 75 increase when compared to the previous year. Maranhao State Environment Secretariat representative Raimundo Calixto explained that his secretariat had few people and had only been created in April 2006. For them, monitoring deforestation is something very new, said Calixto. He added that the illegal deforestation resulted from expanding soy production and also production of charcoal for pig iron plants.

ARE ADDITIONAL LAW ENFORCEMENT EFFORTS WORKING?

¶7. (SBU) At a December 18 seminar, Minister Minc, Minister of Science and Technology Sergio Rezende, and INPE Director Camara discussed the results of deforestation efforts before a packed hall.

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Minc credited tougher, more robust law enforcement efforts for the sharp decline in the deforestation rate in the last quarter of the period. He highlighted the need to have carrots in addition to sticks. "We can close down 100 illegal jobs [involved in deforesting] in an hour, but we can't create 100 new ones in an hour," he commented. He expressed optimism that the Amazon Fund (REFTEL B) would soon be supporting projects and payment for environmental services, possibly starting as early as in March 2009.

¶8. (SBU) One of the tougher measures Minc hailed was the Presidential Decree creating Park Guards, which when implemented will strengthen the government's presence in the Amazon. He also highlighted the measure to cut off government agriculture credits to the 36 "hot spot" municipalities with the highest rates of deforestation. Twenty-two of these 36 municipalities reported a reduction in deforestation for the 2007/2008 period. The Brazilian environmental agency (IBAMA) recently estimated that 76 percent of the deforested area was cleared to create pastures for cattle. Similarly, deforestation in large plots - bigger than 300 hectares in size - was also brought down significantly. COMMENT. These initial results suggest that the stepped up enforcement actions and monitoring operations seem to be having positive effect. However, the spotlight on the 36 municipalities had the side effect of pushing the deforestation into adjacent areas which reported increased deforestation rates over the last year. END COMMENT.

¶9. (SBU) The Plan for a Sustainable Amazon (PAS) unveiled in May is supposed to help create alternative, legitimate jobs in the Amazon (REFTEL C). PAS is overseen by Roberto Mangabeira Unger, the Minister for Strategic Planning. At the December 18 seminar, Minister Minc criticized the plan saying that the PAS is "blocked" and that there was a certain "lack of integration" among different sectors of the GOB. He lamented that his ministry was blamed for high deforestation rates when other parts of the government were also responsible for addressing parts of the deforestation problem.

¶10. (SBU) A new monitoring system has detected an ominous development in the Amazon. INPE has developed a new system called DEGRAD that can detect partially cut, but not yet cleared, areas. The previous system PRODES was not able to provide that level of analysis. According to this new system, although the areas of deforestation land measured in the last two years were almost equal, the area of forest degraded (yet not completely cleared) jumped from an estimated 14,915 square kilometers in 2007 to 24,932 square kilometers in 2008, representing a 67 percent rise. "It is much more likely that clear-cutting will occur in areas that have already been degraded than in areas where the forest is intact", stated INPE Director Gilberto Camara.

¶11. (SBU) COMMENT. That the 2007/2008 deforestation numbers were not worse came as a relief to the GOB. As Minc conceded, the government had been braced for a much higher figure. The overall rise in the deforestation rate did come at an inconvenient time as the GOB on December 1 had just announced domestic targets to reduce the annual rate to approximately 6,000 square kilometers by 2017 through its National Plan for Climate Change. Despite the overall bad news, there are some positive developments, not the least of which is the GOB's heightened concern about the deforestation problem in the Amazon. This points to the GOB being willing to commit more effort and resources to tackling the problem. The Brazilian government has its work cut out for it, especially with the enormous quantity of partially degraded land poised to become clear cut in the near future. END COMMENT.

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